

By: Senator(s) Doxey

To: Appropriations

SENATE BILL NO. 2719

1 AN ACT TO AMEND SECTIONS 27-104-13, 27-103-203 AND 31-17-123,
2 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT STATUTORY PROVISIONS
3 AUTHORIZING BUDGET REDUCTIONS BY THE EXECUTIVE BRANCH OF
4 GOVERNMENT BETWEEN LEGISLATIVE SESSIONS SHALL NOT BE APPLICABLE TO
5 THE COURTS AND OTHER STATE-FUNDED AGENCIES IN THE JUDICIAL BRANCH
6 OF GOVERNMENT; AND FOR RELATED PURPOSES.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8 **SECTION 1.** Section 27-104-13, Mississippi Code of 1972, is
9 amended as follows:

10 27-104-13. The State Fiscal Officer shall have the right to
11 disapprove or reduce and revise such estimates of general funds
12 and state-source special funds for any general-fund or
13 special-fund agency, and for the "administration and other
14 expenses" budget of the State Highway Department, in an amount not
15 to exceed five percent (5%) if he finds that funds will not be
16 available within the period for which the budget is drawn, or if
17 he finds that the requested expenditures, or any part thereof, are
18 not authorized by law, and such action shall be reported to the
19 Legislative Budget Office. The State Fiscal Officer may, upon his
20 determination of need based upon a finding that funds will not be
21 available within the period for which the budget is drawn,
22 transfer funds as provided in Section 27-103-203, from the Working
23 Cash-Stabilization Reserve Fund to the General Fund to supplement
24 the general-fund revenue. In the event that the estimates of
25 general funds and state-source special funds of all general-fund
26 and special-fund agencies, and of the "administration and other
27 expenses" budget of the State Highway Department, have been
28 reduced by five percent (5%), additional reductions may be made
29 but shall consist of a uniform percentage reduction of general

30 funds and state-source special funds to all general-fund and
31 special-fund agencies, and to the "administration and other
32 expenses" budget of the State Highway Department. Any
33 state-source special funds reduced under the provisions of this
34 section shall be transferred to the State General Fund upon
35 requisitions for warrants signed by the respective agency head and
36 said transfer shall be made within a reasonable period to be
37 determined by the State Fiscal Officer.

38 For the purpose of this section, "state-source special funds"
39 shall be construed to mean any special funds in any agency derived
40 from any source, but shall not include the following special
41 funds: special funds derived from federal sources, from local or
42 regional political subdivisions, or from donations; special funds
43 held in a fiduciary capacity for the benefit of specific persons
44 or classes of persons; self-generated special funds of the state
45 institutions of higher learning or the state junior colleges;
46 special funds of Mississippi Industries for the Blind, the State
47 Port at Gulfport, Yellow Creek Inland Port, Pat Harrison Waterway
48 District, Pearl River Basin Development District, Pearl River
49 Valley Water Management District, Tombigbee River Valley Water
50 Management District, Yellow Creek Watershed Authority, or Coast
51 Coliseum Commission; special funds of the Department of Wildlife,
52 Fisheries and Parks derived from the issuance of hunting or
53 fishing licenses; and special funds generated by agencies whose
54 primary function includes the establishment of standards and the
55 issuance of licenses for the practice of a profession within the
56 State of Mississippi.

57 It being vital to the maintenance of the economy and economic
58 growth of the state and for the maintenance of law and order in
59 the state that the criminal and civil justice systems continue to
60 function, there shall be no reduction in the budgets of the
61 district attorneys, including salaries of district attorneys,
62 assistant district attorneys, investigators, office allowance and

63 in-state travel; the Supreme Court Justices, Court of Appeals
64 Justices, the circuit and chancery court judges, the in-state
65 travel for those justices and judges and the budget of the
66 Administrative Office of the Courts; the Mississippi Office of
67 Capital Post Conviction Council and their in-state travel and the
68 Mississippi Office of Capital Defense Council and their in-state
69 travel and the Office of the Attorney General.

70 **SECTION 2.** Section 27-103-203, Mississippi Code of 1972, is
71 amended as follows:

72 27-103-203. (1) There is created in the State Treasury a
73 special fund, separate and apart from any other fund, to be
74 designated the Working Cash-Stabilization Reserve Fund, into which
75 shall be deposited one hundred percent (100%) of the unencumbered
76 General Fund cash balance at the close of each fiscal year until
77 such time as the balance in the fund reaches Forty Million Dollars
78 (\$40,000,000.00). After the balance in the fund reaches Forty
79 Million Dollars (\$40,000,000.00), fifty percent (50%) of the
80 unencumbered General Fund cash balance at the close of each fiscal
81 year, not to exceed seven and one-half percent (7-1/2%) of the
82 General Fund appropriations for such fiscal year, shall be
83 deposited into the fund. The remainder of the year-end
84 unencumbered cash after transfer to the Working Cash-Stabilization
85 Reserve Fund shall remain in the General Fund. Unencumbered cash
86 in the General Fund may be used for new year cash flow needs and
87 may also be used for deficit appropriations or regular
88 appropriations.

89 (2) The Working Cash-Stabilization Reserve Fund shall not be
90 considered as a surplus or available funds when adopting a
91 balanced budget as required by law. The State Treasurer shall
92 invest all sums in the Working Cash-Stabilization Reserve Fund not
93 needed for the purposes provided for in this section in
94 certificates of deposit, repurchase agreements and other
95 securities as authorized in Sections 27-105-33(d) or 7-9-103, as

96 the State Treasurer may determine to yield the highest market rate
97 available. If the Ayers Settlement Fund is created pursuant to
98 Section 37-101-27(5), the first Five Million Dollars
99 (\$5,000,000.00) of interest earned on such sums each fiscal year
100 shall be deposited into that fund until a total of Seventy Million
101 Dollars (\$70,000,000.00) has been deposited into the fund. The
102 interest, or the remaining interest if the Ayers Settlement Fund
103 is created, which is earned on such sums shall be deposited in the
104 Working Cash-Stabilization Reserve Fund until the balance of
105 principal and interest therein reaches seven and one-half percent
106 (7-1/2%) of the total General Fund appropriations for the current
107 fiscal year, and all interest earned in excess of amounts
108 necessary to maintain the seven and one-half percent (7-1/2%) fund
109 balance requirement shall be deposited by the State Treasurer into
110 the State General Fund.

111 (3) The Working Cash-Stabilization Reserve Fund, except for
112 Nineteen Million Dollars (\$19,000,000.00) and the amount of the
113 interest and income earned on the principal of the Ayers Endowment
114 Trust created by Section 37-101-27, shall be used by the State
115 Treasurer for cash flow needs throughout the year when the
116 Executive Director of the Department of Finance and Administration
117 certifies that in his opinion there will be cash flow deficiencies
118 in the State General Fund. No borrowing of monies from other
119 special funds for such purposes as authorized by Section 31-17-101
120 et seq. shall be made as long as an unencumbered balance in excess
121 of Nineteen Million Dollars (\$19,000,000.00) and the interest and
122 income earned on the principal of the Ayers Endowment Trust
123 created by Section 37-101-27 remains in the fund. The State
124 Treasurer shall reimburse the fund for all sums borrowed for such
125 purposes from General Fund revenues collected during the fiscal
126 year in which such funds are used. The State Treasurer shall
127 immediately notify the Legislative Budget Office and the State
128 Department of Finance and Administration of each transfer into and

129 out of such fund. Four Million Dollars (\$4,000,000.00) in the
130 Working Cash-Stabilization Reserve Fund shall remain available for
131 use pursuant to Section 27-103-81. Fifteen Million Dollars
132 (\$15,000,000.00) in the Working Cash-Stabilization Reserve Fund
133 shall remain available for exclusive use of the Ayers Endowment
134 Trust created by Section 37-101-27. If the Ayers Settlement Fund
135 is created pursuant to Section 37-101-27(5), beginning when a
136 total of Fifty-five Million Dollars (\$55,000,000.00) has been
137 deposited into the fund, for each annual deposit of interest to
138 that fund under subsection (2) of this section, the Ayers
139 Endowment Trust created under Section 37-101-27(1) shall be
140 reduced by an equal amount annually until the Ayers Endowment
141 Trust reaches Zero Dollars (\$0.00), at which time any requirements
142 concerning the Ayers Endowment Trust in this section shall be null
143 and void.

144 (4) The Working Cash-Stabilization Reserve Fund, except for
145 Forty Million Dollars (\$40,000,000.00), shall also be used for the
146 purpose of covering any projected deficits that may occur in the
147 General Fund at the end of a fiscal year as a result of revenue
148 shortfalls. If the Governor determines that a deficit in revenues
149 from all sources may occur, it shall be the duty of the Executive
150 Director of the Department of Finance and Administration to
151 transfer such funds as necessary to the General Fund to alleviate
152 the deficit in accordance with Sections 27-104-13 and 31-17-123;
153 however, not more than Fifty Million Dollars (\$50,000,000.00) may
154 be transferred from the fund for such purpose in any one fiscal
155 year. If it becomes necessary to apply a part of the fund to this
156 purpose, the amount so applied shall be restored to the Working
157 Cash-Stabilization Reserve Fund out of future annual surpluses, as
158 provided in subsection (1) of this section, until the seven and
159 one-half percent (7-1/2%) maximum is again attained.

160 (5) The Working Cash-Stabilization Reserve Fund also shall
161 be used to provide funds for the Disaster Assistance Trust Fund

162 when such funds are immediately needed to provide for disaster
163 assistance under Sections 33-15-301 through 33-15-317. Any
164 transfer of funds from the Working Cash-Stabilization Reserve Fund
165 to the Disaster Assistance Trust Fund shall be made in accordance
166 with the provisions of subsection (5) of Section 33-15-307.

167 (6) The Department of Finance and Administration shall
168 immediately send notice of any transfers made, or other action
169 taken under authority of this section, to the Legislative Budget
170 Office.

171 (7) Funds deposited in the Working Cash-Stabilization
172 Reserve Fund shall be used only for the purposes specified in this
173 section, and as long as the provisions of this section remain in
174 effect, no other expenditure, appropriation or transfer of funds
175 in the Working Cash-Stabilization Reserve Fund shall be made
176 except by act of the Legislature making specific reference to the
177 Working Cash-Stabilization Reserve Fund as the source of such
178 funds.

179 (8) It being vital to the maintenance of the economy and
180 economic growth of the state and for the maintenance of law and
181 order in the state that the criminal and civil justice systems
182 continue to function, there shall be no reduction in the budgets
183 of the district attorneys, including salaries of district
184 attorneys, assistant district attorneys, investigators, office
185 allowance and in-state travel; the Supreme Court Justices, Court
186 of Appeals Justices, the circuit and chancery court judges, the
187 in-state travel for those justices and judges and the budget of
188 the Administrative Office of the Courts; the Mississippi Office of
189 Capital Post Conviction Council and their in-state travel and the
190 Mississippi Office of Capital Defense Council and their in-state
191 travel and the Office of the Attorney General.

192 **SECTION 3.** Section 31-17-123, Mississippi Code of 1972, is
193 amended as follows:

194 31-17-123. The intent of the Legislature is to authorize
195 borrowing funds under the provisions of Sections 31-17-101 through
196 31-17-123 to offset any temporary cash flow deficiencies and
197 should not be construed to authorize the borrowing of any funds in
198 an amount which cannot be repaid during the fiscal year in which
199 such funds are borrowed. The State Tax Commission and University
200 Research Center, utilizing all available revenue forecast data,
201 shall annually develop a general fund revenue estimate to be
202 adopted by the Legislative Budget Office as of the date of sine
203 die adjournment. If, at the end of October, or at the end of any
204 month thereafter of any fiscal year, the revenues received for the
205 fiscal year shall fall below ninety-eight percent (98%) of the
206 Legislative Budget Office general fund revenue estimate at the
207 date of sine die adjournment, the State Fiscal Officer shall
208 reduce allocations of general funds and state-source special funds
209 to general fund and special fund agencies and to the
210 "administration and other expenses" budget of the State Highway
211 Department in an amount necessary to keep expenditures within the
212 sum of actual general fund receipts including any transfers to the
213 General Fund from the Working Cash-Stabilization Reserve Fund for
214 the fiscal year. The State Fiscal Officer may, upon his
215 determination of need based on the revenue shortfall, transfer
216 funds as provided in Section 27-103-203, from the Working
217 Cash-Stabilization Reserve Fund to the General Fund to supplement
218 the general fund revenue. State-source special funds in an amount
219 equal to any reduction made under the provisions of this section
220 shall be transferred to the State General Fund upon requisitions
221 for warrants signed by the respective agency head and such
222 transfer shall be made within a reasonable period to be determined
223 by the State Fiscal Officer. No agency's allocation shall be
224 reduced in an amount to exceed five percent (5%); however, in the
225 event that the allocations of general funds and state-source
226 special funds to all general fund and special fund agencies and to

227 the "administration and other expenses" budget of the State
228 Highway Department have been reduced by five percent (5%), any
229 additional reductions required to be made hereunder shall consist
230 of a uniform percentage reduction of general funds and
231 state-source special funds to all general fund and special fund
232 agencies, and to the "administration and other expenses" budget of
233 the State Highway Department. Any receipt from loans authorized
234 by Sections 31-17-101 through 31-17-123 shall not be included as
235 revenue receipts. The State Fiscal Officer shall immediately send
236 notice of any action taken under authority of this section to the
237 Legislative Budget Office.

238 For the purpose of this section, "state-source special funds"
239 shall be construed to mean any special funds in any agency derived
240 from any source, but shall not include the following special
241 funds: special funds derived from federal sources, from local or
242 regional political subdivisions, or from donations; special funds
243 held in a fiduciary capacity for the benefit of specific persons
244 or classes of persons; self-generated special funds of the state
245 institutions of higher learning or the state junior colleges;
246 special funds of Mississippi Industries for the Blind, the State
247 Port at Gulfport, Yellow Creek Inland Port, Pat Harrison Waterway
248 District, Pearl River Basin Development District, Pearl River
249 Valley Water Management District, Tombigbee River Valley Water
250 Management District, Yellow Creek Watershed Authority, or Coast
251 Coliseum Commission; special funds of the Department of Wildlife,
252 Fisheries and Parks derived from the issuance of hunting or
253 fishing licenses; and special funds generated by agencies whose
254 primary function includes the establishment of standards and the
255 issuance of licenses for the practice of a profession within the
256 State of Mississippi.

257 It being vital to the maintenance of the economy and economic
258 growth of the state and for the maintenance of law and order in
259 the state that the criminal and civil justice systems continue to

260 function, there shall be no reduction in the budgets of the
261 district attorneys, including salaries of district attorneys,
262 assistant district attorneys, investigators, office allowance and
263 in-state travel; the Supreme Court Justices, Court of Appeals
264 Justices, the circuit and chancery court judges, the in-state
265 travel for those justices and judges and the budget of the
266 Administrative Office of the Courts; the Mississippi Office of
267 Capital Post Conviction Council and their in-state travel and the
268 Mississippi Office of Capital Defense Council and their in-state
269 travel and the Office of the Attorney General.

270 **SECTION 4.** This act shall take effect and be in force from
271 and after July 1, 2004.